

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 02-0353P**

**Use Tax**

**For Calendar Years 1991 through 2000**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer, an Indiana corporation, was assessed a ten percent (10%) penalty for negligent failure to report use tax due to the State of Indiana. Taxpayer failed to register for sales and use tax; therefore a ten- (10) year audit was conducted. Taxpayer filed a BT-1 in March 2002 to become registered.

Taxpayer's representative, at hearing requests that the department waive the non-filing penalties because the taxpayer was ninety-one percent (91%) compliant in paying its sales and use taxes. Further, the parent corporation is on the East Coast and this was a first time audit.

I. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer was assessed a penalty because it was not registered, failed to remit its use tax, and failed to file returns.

Taxpayer states it was ninety-one percent compliant and was audited for the first time. It has registered with the Indiana Department of Revenue and is filing returns currently.

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Taxpayer was negligent in failing to register with the Indiana Department of Revenue and has not provided reasonable cause to allow a waiver of the penalty assessed.

**FINDING**

Taxpayer's protest is denied.

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